

BOARD of SUPERVISORS



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MEMORANDUM

BUDGET AND FINANCE COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Mark Farrell, Chair
Budget and Finance Committee

FROM: Linda Wong, Assistant Clerk

DATE: August 2, 2016

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, August 2, 2016

The following file scheduled to be presented as a **COMMITTEE REPORT** at the Board meeting on Tuesday, August 2, 2016, at 2:00 p.m. was **TABLED**, at the Special Budget and Finance Committee Meeting on Monday, August 1, 2016, at 2:00 p.m.

Item No. 53, File No. 160760, was not sent as a Committee Report.

c: Board of Supervisors
Angela Calvillo, Clerk of the Board
Jon Givner, Deputy City Attorney
Alisa Somera, Legislative Deputy Director

File No. 160760

Committee Item No. 1

Board Item No. 53

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date July 28, 2016

Board of Supervisors Meeting

Date August 2, 2016

Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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Completed by: Linda Wong

Date July 22, 2016

Completed by: Linda Wong

Date August 2, 2016

1 [Initiative Ordinance - Business and Tax Regulations and Administrative Codes - Tax on
2 Technology Companies to Fund Affordable Housing and Homeless Services; Business
3 Registration Fee Reduction]

4 **Motion ordering submitted to the voters at an election to be held on November 8, 2016,**
5 **an Ordinance amending the Business and Tax Regulations Code and Administrative**
6 **Code to reduce the business registration fee on persons with \$1,000,000 or less in**
7 **gross receipts and to impose a new 1.5% special tax on the payroll expense of**
8 **technology companies engaged in business in the City to fund affordable housing and**
9 **homeless services; and increasing the City's appropriations limit by the amount of the**
10 **new tax for four years from November 8, 2016.**

11
12 **MOVED,** That the Board of Supervisors hereby submits the following ordinance to the
13 voters of the City and County of San Francisco, at an election to be held on November 8,
14 2016.

15
16 **Ordinance amending the Business and Tax Regulations Code and Administrative Code**
17 **to reduce the business registration fee on persons with \$1,000,000 or less in gross**
18 **receipts and to impose a new 1.5% special tax on the payroll expense of technology**
19 **companies engaged in business in the City to fund affordable housing and homeless**
20 **services; and increasing the City's appropriations limit by the amount of the new tax**
21 **for four years from November 8, 2016.**

22 **NOTE:** **Unchanged Code text and uncodified text** are in plain font.
23 **Additions to Codes** are in *single-underline italics Times New Roman font*.
24 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
25 **Asterisks (* * * *)** indicate the omission of unchanged Code subsections or parts of tables.

1 Be it ordained by the People of the City and County of San Francisco:

2 Section 1. Pursuant to Article XIII C of the Constitution of the State of California, this
3 ordinance shall be submitted to the qualified electors of the City and County of San Francisco
4 at the November 8, 2016, consolidated general election.

5
6 Section 2. Findings.

7 (a) San Francisco has seen a technology company boom that has brought many
8 highly paid workers to the City in a short period of time, generating a demand for housing that
9 has driven rents beyond the reach of many residents and resulting in longtime residents being
10 displaced or struggling to remain.

11 (b) Evictions have continued to rise each year since 2010, with a large percentage
12 of no-fault evictions in San Francisco occurring within four blocks of a private bus shuttle stop
13 for technology company employees.

14 (c) The technology-driven housing crisis also threatens the diversity our City
15 cherishes, because technology companies frequently do not employ a workforce that reflects
16 the diversity of the City as a whole. Moreover, vulnerable populations such as children, the
17 disabled, and seniors who often rely on a fixed income, have been hit hard by the housing
18 crisis.

19 (d) According to a report issued on June 1, 2016, by the Budget and Legislative
20 Analyst of the Board of Supervisors, the City spent over \$20.6 million on homeless quality-of-
21 life enforcement in 2015, while the number of unsheltered homeless individuals continued to
22 increase.

23 (e) According to a January 29, 2015 Point-in-Time homeless count included in a
24 report issued in 2015 by Applied Survey Research, there were just under 7,000 homeless
25 people in San Francisco, a large proportion of whom were unsheltered.

1 (f) San Francisco has a number of restrictive laws related to homelessness,
2 including restrictions on sitting, lying, camping, and obstructing the sidewalk.

3 (g) Responses to the housing and homelessness crisis have been limited by a lack
4 of funding. Affordable housing development has widespread public support but is costly, and,
5 despite the recent housing bond (Proposition A, November 2015) and other measures, there
6 is not enough funding available to address the need.

7 (h) Revenue measures such as the Homelessness and Housing Impact Technology
8 Tax established by this ordinance are needed to hold technology companies accountable for
9 their impact on housing availability and cost in San Francisco, and to provide funding for
10 affordable housing programs and homeless services.

11
12 Section 3. The Business and Tax Regulations Code is hereby amended by revising
13 Sections 6.9-1, 6.9-2, and 6.9-3 of Article 6 and Section 855 of Article 12, to read as follows:

14 **SEC. 6.9-1. DETERMINATIONS, RETURNS, AND PAYMENTS; DUE DATE OF TAXES.**

15 Except for jeopardy determinations under Section 6.12-2, and subject to remittances
16 required under Sections 6.9-2 and 6.9-3, all amounts of taxes and fees imposed by Articles 6,
17 7, 9, 10, 10B, 11, 12, 12-A, ~~and 12-A-1~~, and 12-A-2 are due and payable, and shall be
18 delinquent if not paid to the Tax Collector on or before the following dates:

19 (a) For the Hotel Tax (Article 7) and the Parking Tax (Article 9), for each month, on
20 or before the last day of the following month;

21 (b) For the payroll expense tax (Article 12-A), ~~and~~ the gross receipts tax (Article 12-
22 A-1), and the Homelessness and Housing Impact Technology Tax (Article 12-A-2), on or before the
23 last day of February of each year;

24 (c) For the utility users tax (Article 10) and the access line tax (Article 10B), for each
25 monthly period, on or before the last day of the following month;

1 (d) For the stadium operator admission tax (Article 11), within five days after the
2 event, subject to the provisions of Section 804 of Article 11; and

3 (e) For the business registration certificate (Article 12), on or before the last day of
4 May preceding the registration year commencing July 1 of that year.

5
6 **SEC. 6.9-2. DETERMINATIONS, RETURNS, AND PAYMENTS; RETURNS.**

7 (a) **Returns.** Except as provided in subsection (b) below, on or before the due
8 date, or in the event of a cessation of business within 15 days of such cessation, each
9 taxpayer shall file a return for the subject period on a form provided by the Tax Collector,
10 regardless of whether there is a tax liability owing. A person subject to any tax or required to
11 remit any third-party tax who has not received a return form or forms from the Tax Collector is
12 responsible for obtaining such form(s) and filing a return or returns on or before the due date,
13 or upon the cessation of business. Returns shall show the amount of tax and any third-party
14 tax paid or otherwise due for the related period and such other information as the Tax
15 Collector may require. Each person subject to any tax or required to remit any third-party tax
16 and required to file the return shall transmit the return, together with the remittance of the
17 amount of tax or third-party tax due, to the Tax Collector at the Tax Collector's Office on or
18 before the due date specified in Section 6.9-1.

19 (b) **Minimum Filing Amount.** Notwithstanding any other provision of this Section
20 6.9-2, and commencing with tax years beginning on or after January 1, 2014:

21 (1) A person whose combined taxable payroll expense in the City under the
22 Payroll Expense Tax Ordinance (Article 12-A), computed without regard to the small business
23 exemption set forth in Section 905-A of Article 12-A, is less than \$150,000, shall be exempt
24 from filing a payroll expense tax return.

1 (2) A person, other than a lessor of residential real estate as that term is
2 used in Section 954.1 of Article 12-A-1, whose combined taxable gross receipts in the City
3 under the Gross Receipts Tax Ordinance (Article 12-A-1), computed without regard to the
4 small business tax exemption set forth under Section 954.1 of Article 12-A-1, is less than
5 \$500,000, shall be exempt from filing a gross receipts tax return and a Homelessness and
6 Housing Impact Technology Tax return.

7 (3) A lessor of residential real estate, as that term is used in Section 954.1 of
8 Article 12-A-1, who leases fewer than four units in any individual building, shall be exempt
9 from filing a gross receipts tax return and a Homelessness and Housing Impact Technology Tax
10 return.

11
12 **SEC. 6.9-3. DETERMINATIONS, RETURNS, AND PAYMENTS.**

13 (a) **Remittances.** Notwithstanding the due dates otherwise provided in
14 Section 6.9-1, taxpayers shall make remittances of taxes and third-party taxes to the Tax
15 Collector as follows:

16 * * * *

17 (3) **Payroll Expense Tax, ~~and~~ Gross Receipts Tax, and Homelessness and**
18 **Housing Impact Technology Tax.** The payroll expense tax (Article 12-A), ~~and~~ the gross receipts
19 tax (Article 12-A-1), and the Homelessness and Housing Impact Technology Tax (Article 12-A-2)
20 shall be paid in quarterly installments as follows:

21 (A) **Due Dates.** Every person liable for payment of payroll expense
22 tax, ~~or~~ gross receipts tax, or Homelessness and Housing Impact Technology Tax for any tax year
23 shall pay such tax for that tax year in four quarterly installments. The first, second, and third
24 quarterly installments shall be due and payable, and shall be delinquent if not paid on or
25 before, April 30, July 31, and October 31, respectively, of that tax year. The fourth installment

1 shall be reported and paid on or before the last day of February of the immediately following
2 tax year.

3 (B) **Installment Payments.**

4 (i) The first, second, and third quarterly installments shall be a
5 credit against the person's total payroll expense tax, ~~or~~ gross receipts tax, *or Homelessness and*
6 *Housing Impact Technology Tax*, as applicable, for the tax year in which such first, second, and
7 third quarterly installments are due. The fourth quarterly installment shall be in an amount
8 equal to the person's total payroll expense tax, ~~or~~ gross receipts tax, *or Homelessness and*
9 *Housing Impact Technology Tax* liability for the tax year, as applicable, less the amount of the
10 payroll expense tax, ~~or~~ gross receipts tax, *or Homelessness and Housing Impact Technology Tax*
11 first, second, and third quarterly installments and other tax payments, if any, actually paid.

12 (ii) **Payroll Expense Tax Installments.** A person's first,
13 second, and third quarterly installment payments of payroll expense tax for any tax year shall
14 be computed by using the person's taxable payroll expense (as defined under Article 12-A) for
15 each quarter and the rate of tax applicable to the tax year in which the first, second, and third
16 quarterly installments are due. Notwithstanding the foregoing sentence, and except for
17 taxpayers under Section 953.8 of Article 12-A-1, for tax years commencing after
18 December 31, 2013, the first, second, and third quarterly installments shall be computed using
19 the rates set forth in the following table:

20

<i>Tax Year</i>	<i>1st, 2nd, and 3rd Installments</i>
2014	1.350%
2015	1.125%
2016	0.750%
2017	0.375%

21
22
23
24
25

2018	0.000%
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(iii) **Gross Receipts Tax Installments.** A person's first, second, and third quarterly installments of gross receipts tax for any tax year shall be computed by using the person's taxable gross receipts (as defined under Article 12-A-1) for each quarter and the rate of tax applicable to the tax year in which the first, second, and third quarterly installments are due. Notwithstanding the foregoing sentence, and except for taxpayers under Section 953.8 of Article 12-A-1, for tax years commencing after December 31, 2013, the first, second, and third quarterly installments shall be computed using the rates applicable to the person's taxable gross receipts under Sections 953.1 through 953.7 of Article 12-A-1, multiplied by the percentages set forth in the following table:

<i>Tax Year</i>	<i>1st, 2nd, and 3rd Installments</i>
2014	10%
2015	25%
2016	50%
2017	75%
2018	100%

(iv) **Homelessness and Housing Impact Technology Tax**
Installments. *A person's first, second, and third quarterly installment payments of Homelessness and Housing Impact Technology Tax for any tax year shall be computed by using the person's taxable payroll expense (as defined under Article 12-A-2) for each quarter and the rate of tax provided in Section 976 of Article 12-A-2.*

(C) **Computation of Liability; Payments.**

(i) A person's total payroll expense tax liability shall be computed using the rate for that tax year computed, certified, and published by the Controller

1 under Section 903.1 of Article 12-A or as otherwise provided in Article 12-A. A person's total
2 gross receipts tax liability shall be computed using the rate for that tax year computed,
3 certified, and published by the Controller under Section 959 of Article 12-A-1, or as otherwise
4 provided in Article 12-A-1. A person's total Homelessness and Housing Impact Technology Tax
5 liability shall be computed using the rate provided in Section 976 of Article 12-A-2.

6 (ii) Any amounts paid on a person's payroll expense tax liability
7 for a tax year that are in excess of that person's actual payroll expense tax liability for that
8 year shall be credited to that person's gross receipts tax liability for that year. Any amounts
9 paid on a person's gross receipts tax liability for a tax year that are in excess of that person's
10 actual gross receipts tax liability for that year shall be credited to that person's payroll expense
11 tax liability for that year.

12 (b) **Tax Installment Penalties.** Except as stated in subsections (b)(1) and (2), eEvery
13 person who fails to pay any tax installment required under this Section 6.9-3 before the
14 relevant delinquency date shall pay a penalty in the amount of 5% percent of the amount of the
15 delinquent tax installment per month, or fraction thereof, up to 20% percent in the aggregate,
16 and shall also pay interest on the amount of the delinquent tax installment from the date of
17 delinquency at the rate of 1% percent per month, or fraction thereof, for each month the
18 installment is delinquent, until paid.

19 (1) The penalty and interest provided under this subsSection 6.9-3(b) shall not
20 apply to the payroll expense tax or gross receipts tax if each of the payroll expense tax and gross
21 receipts tax payments are equal to or greater than the actual tax owed for that quarter, or the
22 sum of the payroll expense tax payments and gross receipts tax payments for the quarter is
23 equal to or greater than 26% percent of the sum of the payroll expense tax and gross receipts
24 tax liability for the immediately preceding tax year. For taxpayers under Section 953.8 of
25 Article 12-A-1, for tax year 2014 only, the penalty and interest provided under this subsSection

1 6.9-3(b) shall also not apply if a first, second, or third gross receipts tax quarterly installment
2 payment is in an amount that is at least 26% ~~percent~~ of the payroll expense tax liability for the
3 immediately preceding tax year.

4 (2) The penalty and interest provided under this Section 6.9-3(b) shall not apply to
5 the Homelessness and Housing Impact Technology Tax if the Homelessness and Housing Impact
6 Technology Tax payment is equal to or greater than the actual tax owed for that quarter, or the
7 Homelessness and Housing Impact Technology Tax payment for the quarter is equal to or greater than
8 26% of the Homelessness and Housing Impact Technology Tax liability for the immediate preceding
9 tax year.

10 (c) **Hotel and Parking Taxes.** Unless otherwise provided, an operator subject to
11 the Hotel Tax (Article 7) or the Parking Tax (Article 9) shall make monthly remittances in the
12 amount of the actual tax owed.

13 (d) **Forms and Adjustments.** Tax remittances required under this Section 6.9-3
14 shall be accompanied by a tax remittance form prepared by the Tax Collector, but failure of
15 the Tax Collector to furnish the taxpayer with a tax remittance form shall not relieve the
16 taxpayer from any tax payment obligation.

17
18 **SEC. 855. REGISTRATION CERTIFICATE – FEE.**

19 * * * *

20 (e) **Fee for Registration Years Ending After June 30, 2015.**

21 (1) **General Rule for Registration Years Ending After June 30, 2015, but On or**
22 **Before June 30, 2018.** Except as otherwise provided in this Section 855 and Section 856 of this
23 Article 12, the annual fee for obtaining a registration certificate, for the registration years
24 ending after June 30, 2015, but ending on or before June 30, 2018, payable in advance, shall be
25 as follows:

<i>San Francisco Gross Receipts for the Immediately Preceding Tax Year</i>	<i>Annual Registration Fee</i>
\$0 to \$100,000	\$90
\$100,001 to \$250,000	\$150
\$250,001 to \$500,000	\$250
\$500,001 to \$750,000	\$500
\$750,001 to \$1,000,000	\$700
\$1,000,001 to \$2,500,000	\$300
\$2,500,001 to \$7,500,000	\$500
\$7,500,001 to \$15,000,000	\$1,500
\$15,000,001 to \$25,000,000	\$5,000
\$25,000,001 to \$50,000,000	\$12,500
\$50,000,001 to \$100,000,000	\$22,500
\$100,000,001 to \$200,000,000	\$30,000
\$200,000,001 and over	\$35,000

(2) General Rule for Registration Years Ending After June 30, 2018. Except as otherwise provided in this Section 855 and Section 856 of this Article 12, the annual fee for obtaining a registration certificate, for the registration years ending after June 30, 2018, payable in advance, shall be as follows:

<u><i>San Francisco Gross Receipts for the Immediately Preceding Tax Year</i></u>	<u><i>Annual Registration Fee</i></u>
<u><i>\$0 to \$100,000</i></u>	<u><i>\$45</i></u>
<u><i>\$100,000.01 to \$250,000</i></u>	<u><i>\$75</i></u>
<u><i>\$250,000.01 to \$500,000</i></u>	<u><i>\$125</i></u>
<u><i>\$500,000.01 to \$750,000</i></u>	<u><i>\$250</i></u>

<u>\$750,000.01 to \$1,000,000</u>	<u>\$350</u>
<u>\$1,000,000.01 to \$2,500,000</u>	<u>\$300</u>
<u>\$2,500,000.01 to \$7,500,000</u>	<u>\$500</u>
<u>\$7,500,000.01 to \$15,000,000</u>	<u>\$1,500</u>
<u>\$15,000,000.01 to \$25,000,000</u>	<u>\$5,000</u>
<u>\$25,000,000.01 to \$50,000,000</u>	<u>\$12,500</u>
<u>\$50,000,000.01 to \$100,000,000</u>	<u>\$22,500</u>
<u>\$100,000,000.01 to \$200,000,000</u>	<u>\$30,000</u>
<u>\$200,000,000.01 and over</u>	<u>\$35,000</u>

(23) **Fee for Retail Trade, Wholesale Trade, and Certain Services *for* Registration Years Ending After June 30, 2015, but On or Before June 30, 2018.** Except as otherwise provided in this Section 855 and Section 856 of this Article 12, for registration years ending after June 30, 2015, *but ending on or before June 30, 2018*, the annual fee for obtaining a registration certificate, payable in advance, for a business that was required to report all of its gross receipts pursuant to Article 12-A-1, Section 953.1 for the preceding tax year, shall be as follows:

<i>San Francisco Gross Receipts for the Immediately Preceding Tax Year</i>	<i>Annual Registration Fee</i>
\$0 to \$100,000	\$75
\$100,001 to \$250,000	\$125
\$250,001 to \$500,000	\$200
\$500,001 to \$750,000	\$400
\$750,001 to \$1,000,000	\$600
\$1,000,001 to \$2,500,000	\$200

1	\$2,500,001 to \$7,500,000	\$400
2	\$7,500,001 to \$15,000,000	\$1,125
3	\$15,000,001 to \$25,000,000	\$3,750
4	\$25,000,001 to \$50,000,000	\$7,500
5	\$50,000,001 to \$100,000,000	\$15,000
6	\$100,000,001 to \$200,000,000	\$20,000
7	\$200,000,001 and over	\$30,000

8 **(4) Fee for Retail Trade, Wholesale Trade, and Certain Services for Registration**

9 Years Ending After June 30, 2018. Except as otherwise provided in this Section 855 and Section 856
10 of this Article 12, for registration years ending after June 30, 2018, the annual fee for obtaining a
11 registration certificate, payable in advance, for a business that was required to report all of its gross
12 receipts pursuant to Article 12-A-1, Section 953.1 for the preceding tax year, shall be as follows:

14	<u>San Francisco Gross Receipts for the</u> <u>Immediately Preceding Tax Year</u>	<u>Annual Registration Fee</u>
15	<u>\$0 to \$100,000</u>	<u>\$45</u>
16	<u>\$100,000.01 to \$250,000</u>	<u>\$75</u>
17	<u>\$250,000.01 to \$500,000</u>	<u>\$125</u>
18	<u>\$500,000.01 to \$750,000</u>	<u>\$250</u>
19	<u>\$750,000.01 to \$1,000,000</u>	<u>\$350</u>
20	<u>\$1,000,000.01 to \$2,500,000</u>	<u>\$200</u>
21	<u>\$2,500,000.01 to \$7,500,000</u>	<u>\$400</u>
22	<u>\$7,500,000.01 to \$15,000,000</u>	<u>\$1,125</u>
23	<u>\$15,000,000.01 to \$25,000,000</u>	<u>\$3,750</u>
24	<u>\$25,000,000.01 to \$50,000,000</u>	<u>\$7,500</u>

1	<u>\$50,000,000.01 to \$100,000,000</u>	<u>\$15,000</u>
2	<u>\$100,000,000.01 to \$200,000,000</u>	<u>\$20,000</u>
3	<u>\$200,000,000.01 and over</u>	<u>\$30,000</u>

4 * * * *

5
6 Section 4. The Business and Tax Regulations Code is hereby amended by adding
7 Section 6.2-9.5, to read as follows:

8 **SEC. 6.2-9.5. HOMELESSNESS AND HOUSING IMPACT TECHNOLOGY TAX ORDINANCE;**
9 **HOMELESSNESS AND HOUSING IMPACT TECHNOLOGY TAX.**

10 "Homelessness and Housing Impact Technology Tax Ordinance" means Article 12-A-2;

11 "Homelessness and Housing Impact Technology Tax" means the tax imposed thereunder.

12
13 Section 5. The Business and Tax Regulations Code is hereby amended by adding
14 Article 12-A-2, consisting of Sections 970 through 984, to read as follows:

15 **ARTICLE 12-A-2: HOMELESSNESS AND HOUSING IMPACT TECHNOLOGY TAX**

16
17 **SEC. 970. SHORT TITLE.**

18 This Article 12-A-2 shall be known as the "Homelessness and Housing Impact Technology Tax
19 Ordinance," and the tax imposed under this Article 12-A-2 shall be known as the "Homelessness and
20 Housing Impact Technology Tax."

21
22 **SEC. 971. DEFINITIONS.**

23 Except where the context otherwise requires or as otherwise provided, the terms used in this
24 Article 12-A-2 shall have the meanings given to them in Articles 6, 12-A, and 12-A-1.

1 **SEC. 972. PAYROLL EXPENSE.**

2 (a) The term "Payroll Expense" means the compensation paid to, on behalf of, or for the
3 benefit of an individual, including shareholders of a professional corporation or a Limited Liability
4 Company ("LLC"), including salaries, wages, bonuses, commissions, property issued or transferred in
5 exchange for the performance of services (including but not limited to stock options), compensation for
6 services to owners of pass-through entities, and any other form of compensation, who during any tax
7 year, perform work or render services, in whole or in part in the City; and if more than one individual
8 or shareholders of a professional corporation or members of an LLC, during any tax year performs
9 work or renders services in whole or in part in the City, the term "Payroll Expense" means the total
10 compensation paid including salaries, wages, bonuses, commissions, property issued or transferred in
11 exchange for the performance of services (including but not limited to stock options), in addition to any
12 compensation for services to owners of pass-through entities, and any other form of compensation for
13 services, to all such individuals and shareholders of a professional corporation or members of an LLC.

14 (b) Any person that grants a service provider a right to acquire an ownership interest in
15 such person in exchange for the performance of services shall include in its payroll expense for the tax
16 year in which such right is exercised an amount equal to the excess of (1) the fair market value of such
17 ownership interest on the date such right is exercised over (2) the price paid for such interest.

18 (c) All compensation, including all pass-through compensation for services paid to, on
19 behalf of, or for the benefit of owners of a pass through entity, shall be included in the calculation of
20 such entity's Homelessness and Housing Impact Technology Tax base for purposes of determining such
21 entity's tax liability under this Article 12-A-2. For purposes of this Section 972, the "pass-through
22 compensation for services" of a pass-through entity shall be the aggregate compensation paid by such
23 entity for personal services rendered by all such owners, and shall not include any return on capital
24 investment. The taxpayer may calculate the amount of compensation to owners of the entity subject to
25 the Homelessness and Housing Impact Technology Tax, or the taxpayer may presume that, in addition

1 to amounts reported on a W-2 form, the amount subject to the Homelessness and Housing Impact
2 Technology Tax is, for each owner, an amount that is 200% of the average annual compensation paid
3 to, on behalf of, or for the benefit of the employees of the pass-through entity whose compensation is in
4 the top quartile of the entity's employees who are based in the City; provided, the total number of
5 employees of the entity based in the City is not less than four.

6 (d) The provisions of this Section 972 shall be interpreted in the same manner as the
7 provisions of Section 902.1 of Article 12-A. However, no exclusions from payroll expense shall be
8 permitted under Section 906.1 (the "Biotechnology Exclusion"), Section 906.2 (the "Clean Technology
9 Business Exclusion"), Section 906.3 (the "Central Market Street and Tenderloin Area Payroll Expense
10 Tax Exclusion"), or Section 906.4 (the "Stock-Based Compensation Exclusion").

11
12 **SEC. 973. PASS-THROUGH ENTITY.**

13 The term "pass-through entity" includes a trust, partnership, corporation described in
14 Subchapter S of the Internal Revenue Code of 1986, as amended, limited liability company, limited
15 liability partnership, professional corporation, and any other person or entity (other than a
16 disregarded entity for federal income tax purposes) that is not subject to the income tax imposed by
17 Subtitle A, Chapter 1 of the Internal Revenue Code of 1986, as amended, or that is allowed a deduction
18 in computing such tax for distributions to the owners or beneficiaries of such person or entity. Any
19 person exempt from payment of the Homelessness and Housing Impact Technology Tax under Section
20 980 of this Article 12-A-2 shall not be disqualified from or denied such exemption as a result of being a
21 "pass-through entity" under this Section 973.

1 **SEC. 974. TECHNOLOGY COMPANY.**

2 *The term "technology company" means all persons that receive any amount of gross receipts*
3 *from a business within one or more of the following NAICS codes, as defined in Section 952.4 of Article*
4 *12-A-1: 3341; 5112; 5182; 51913; and 5415.*

5
6 **SEC. 975. IMPOSITION OF TAX.**

7 *A special tax, the Homelessness and Housing Impact Technology Tax, is hereby imposed upon*
8 *the entire payroll expense of every technology company engaging in business within the City as defined*
9 *in Section 6.2-12 of Article 6; provided, that such tax shall be levied only upon that portion of the*
10 *technology company's payroll expense that is attributable to the City as set forth in Section 979. The*
11 *Homelessness and Housing Impact Technology Tax shall be in addition to all other taxes imposed*
12 *under the Business and Tax Regulations Code.*

13
14 **SEC. 976. RATE OF TAX.**

15 *The rate of the Homelessness and Housing Impact Technology Tax shall be 1.5%. The amount*
16 *of a technology company's liability for the Homelessness and Housing Impact Technology Tax shall be*
17 *the product of such technology company's entire taxable payroll expense multiplied by the 1.5% rate.*
18 *The amount of such Homelessness and Housing Impact Technology Tax for Associations shall be the*
19 *sum of the payroll expense of such Association and the total distributions made by such Association by*
20 *way of salary to those having an ownership interest in such Association, multiplied by the 1.5% rate.*
21 *Amounts paid or credited to those having an ownership interest in such Association prior and in*
22 *addition to the distribution of ownership profit or loss shall be presumed to be distributions "by way of*
23 *salary" and for personal services rendered, unless the taxpayer proves otherwise by clear and*
24 *convincing evidence.*

1 **SEC. 977. EXEMPTION PROVISIONS.**

2 (a) Except as provided in subsection (b) of this Section 977, an organization that is exempt
3 from income taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the
4 California Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1
5 of Subtitle A of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504,
6 and 508 of the Internal Revenue Code of 1986, as amended, shall be exempt from taxation under this
7 Article 12-A-2, only so long as those exemptions continue to exist under state or federal law.

8 (b) An organization otherwise exempt from income taxation under subsection (a) that is
9 directly engaged within the City in an unrelated trade or business within the meaning of Section 513(a)
10 of the Internal Revenue Code of 1986, as amended, and has, from its own operations, unrelated
11 business taxable income within the meaning of Section 512(a)(1) of the Internal Revenue Code of 1986,
12 as amended, shall pay a Homelessness and Housing Impact Technology Tax equal to the amount
13 calculated by multiplying the tax that would have been due under this Article 12-A-2 if the organization
14 were not an exempt organization by the percentage which its unrelated business receipts bear to its
15 total receipts. If it is impracticable, unreasonable, or improper to allocate such organization's
16 Homelessness and Housing Impact Technology Tax as aforesaid either because of the particular nature
17 of the organization's unrelated trade or business or for any other reason, then the amount of
18 Homelessness and Housing Impact Technology Tax reasonably attributable to the organization's non-
19 exempt trade or business in the City shall be determined on the basis of all relevant facts and
20 circumstances of the particular case, in accordance with any rulings or regulations issued or
21 promulgated by the Tax Collector for this purpose.

22 (c) Any person upon whom the City is prohibited under the Constitution or laws of the State
23 of California from imposing the Homelessness and Housing Impact Technology Tax shall be exempt
24 from the Homelessness and Housing Impact Technology Tax, for only so long as and to the extent that
25 the City is prohibited from imposing such tax.

1 **SEC. 978. USE OF FUNDS.**

2 (a) Deposit of Monies Collected. All monies from the collection of the Homelessness and
3 Housing Impact Technology Tax shall be deposited to the credit of the Housing and Homelessness
4 Needs Fund ("Fund"), established in Administrative Code Section 10.100-73, which shall be a
5 category four fund under Section 10.100-1. The Fund shall be maintained separate and apart from all
6 other City funds and shall be subject to appropriation. Any balance remaining in the Fund at the close
7 of any fiscal year shall be deemed to have been provided for a special purpose within the meaning of
8 Charter Section 9.113(a) and shall be carried forward and accumulated in the Fund for the purposes
9 described in this Section 978.

10 (b) Expenditures. Subject to the budgetary and fiscal provisions of the Charter, monies in
11 the Fund shall be used exclusively for the following purposes:

12 (1) Paying or reimbursing the Tax Collector and other City Departments for the set-
13 up costs and continued administration of the Homelessness and Housing Impact Technology Tax;

14 (2) Refunding any overpayments of the Homelessness and Housing Impact
15 Technology Tax; and

16 (3) Funding affordable housing and homeless services, including any administrative
17 costs involved.

18 (c) Annual Reports. Commencing with a report filed no later than January 1, 2020,
19 covering the fiscal year ending on June 30, 2019, the Controller shall file annually with the Board of
20 Supervisors, by January 1 of each year, a report containing the amount of monies collected in and
21 expended from the Fund during the prior fiscal year, and such other information as the Controller, in
22 the Controller's sole discretion, shall deem relevant to the operation of this Section 978.

1 **SEC. 979. APPORTIONMENT OF PAYROLL EXPENSE.**

2 (a) Where payroll expense is incurred by reason of work performed or services rendered by
3 an individual, wholly within the City, all of the payroll expense for such individual shall be attributable
4 to the City and subject to tax under this Article 12-A-2. Where payroll expense is incurred by reason of
5 work performed or services rendered by an individual partly within and partly without the City, the
6 portion of such payroll expense attributable to the City (and subject to tax under this Article 12-A-2)
7 shall be determined as follows:

8 (1) Except as otherwise provided in this Section 979, the portion of such payroll
9 expense attributable to the City shall be the portion of such payroll expense which the total number of
10 working hours employed within the City bears to the total number of working hours within and without
11 the City.

12 (2) If the amount of such payroll expense depends on the volume of business
13 transacted by such individual, then the portion of such payroll expense attributable to the City shall be
14 the portion of such payroll expense which the volume of business transacted by such individual in the
15 City bears to the volume of business transacted by such individual within and without the City.

16 (3) If it is impracticable, unreasonable, or improper to apportion such payroll
17 expenses as aforesaid either because of the particular nature of the services of such individual, or on
18 account of the unusual basis of compensation, or for any other reason, then the amount of such payroll
19 earnings reasonably attributable to work performed or services rendered in the City shall be
20 determined on the basis of all relevant facts and circumstances of the particular case, in accordance
21 with any rulings or regulations issued or promulgated by the Tax Collector for the purpose.

22 (4) If the Tax Collector determines that the percentage of payroll expenses
23 attributable to the City, for any one or more persons, is a relatively stable percentage, the Tax
24 Collector may establish that percentage as prima facie evidence of payroll expense attributable to the
25 City; provided, that the Tax Collector shall condition the establishment of such fixed percentage upon

1 the obligation of the taxpayer to report immediately to the Tax Collector any significant change in the
2 taxpayer's mode of business which may impact the portion of the person's payroll expense that is
3 attributable to the City; and, provided further, that the Tax Collector may rescind any such fixed
4 percentage at any time by providing written notice to the taxpayer of such rescission.

5 (b) The provisions of this Section 979 shall be interpreted in the same manner as the
6 provisions of Section 904 of Article 12-A.

7
8 **SEC. 980. SMALL BUSINESS TAX EXEMPTION.**

9 (a) Notwithstanding any other provision of this Article 12-A-2, a "small business
10 enterprise" as hereinafter defined for purposes of this Article 12-A-2 shall be exempt from payment of
11 the Homelessness and Housing Impact Technology Tax; provided, however, that a small business
12 enterprise shall pay the annual registration fee under Section 855 of Article 12, if required to register
13 under Article 12.

14 (b) For purposes of this Article 12-A-2, the term "small business enterprise" shall mean
15 and include any person:

16 (1) Whose combined gross receipts within the City for the tax year as determined
17 under Article 12-A-1, including the gross receipts of the person and any related entities as defined in
18 Section 952.5 of Article 12-A-1, did not exceed the threshold provided in Section 954.1(b)(1) of Article
19 12-A-1; and

20 (2) Who timely filed a Homelessness and Housing Impact Technology Tax return for
21 the tax year, if that person was required to file such a return under Section 6.9-2 of Article 6. If a
22 person is required to file a tax return under this Section 980 and fails to file a return by the due date,
23 the taxpayer shall be subject to a penalty as specified in subsection (c).

24 (c) In lieu of the penalty and interest specified in Sections 6.11-3 and 6.17-1 of Article 6 for
25 failure to file and pay, any person who otherwise qualifies for the small business tax exemption set

1 forth in this Section 980, and who was required to file a Homelessness and Housing Impact Technology
2 Tax return under Section 6.9-2 of Article 6, who fails to timely file a return shall pay a penalty as
3 follows:

4 (1) The penalty for the first month, or fraction thereof, that the return is delinquent,
5 shall be 5% of the amount of the tax liability, calculated without regard to the small business tax
6 exemption in this Section 980. The penalty shall increase by an additional 5% each month, or fraction
7 thereof, that the return is delinquent, up to a maximum of 20% of the tax liability. Any penalties
8 remaining unpaid for a period of 90 days or more shall be subject to an additional penalty of 20% of
9 the amount of the tax liability excluding penalties and interest.

10 (2) Penalties are due and payable when assessed. Unpaid penalties shall accrue
11 interest at the rate of 1% per month, or fraction thereof, from the date that they are assessed through
12 the date of payment. The total amount of the penalties, interest, and fees shall not exceed the amount of
13 the person's Homelessness and Housing Impact Technology Tax liability for the period but for the
14 small business tax exemption.

15 (d) The Tax Collector may, at his or her discretion, reduce the penalty set forth in
16 subsection (c) to not less than \$100 upon a showing that the late filing of the return was due to
17 reasonable cause and not due to willful neglect.

18
19 **SEC. 981. PAYMENTS, RETURNS, INSTALLMENT PAYMENTS, AND EXTENSIONS.**

20 (a) Payments, returns, installment payments, and extensions for technology companies
21 subject to the Homelessness and Housing Impact Technology Tax shall be as prescribed in the common
22 administrative provisions set forth in Article 6.

23 (b) A "combined group" as described in Section 956.3 of Article 12-A-1 must file a single
24 Homelessness and Housing Impact Technology Tax return; the combined group must choose a single
25 person to file the return on its behalf, which person need not be a technology company. Each

1 technology company within the combined group engaging in business in the City must provide a power
2 of attorney to the person filing the return, authorizing the person filing the return to file the return and
3 to act on behalf of each person with respect to payments, refunds, audits, resolutions, and any other
4 items related to the tax liability reflected in the return. The power of attorney shall be substantially in
5 a form prescribed or approved by the Tax Collector. Each return filed by a combined group constitutes
6 a combined return under this Article 12-A-2 and Article 6. The person filing any combined return shall
7 pay the tax liability reflected on the return and any liability determined on audit at the time and in the
8 manner set forth for returns and liabilities in Article 6.

9 (c) The Homelessness and Housing Impact Technology Tax liability of each technology
10 company within a combined group shall be computed as if that person was filing its own separate
11 return. This separate computation requirement shall apply to any of the technology company's
12 applicable exemptions or exclusions, except for the small business tax exemption in Section 980, which
13 shall be calculated on a combined basis as provided in Section 980. The total liability on the combined
14 return shall be the sum of the liabilities of each technology company within the combined group.

15
16 **SEC. 982. CONSTRUCTION OF ARTICLE.**

17 No section, subsection, clause, part, or provision of this Article 12-A-2 shall be construed as
18 requiring the payment of any tax for engaging in business or the doing of an act when such payment or
19 act would constitute an unlawful burden upon or an unlawful interference with interstate or foreign
20 commerce, or which payment or act would be in violation of the United States Constitution or a statute
21 of the United States, or of the California Constitution or a statute of the State of California.

22
23 **SEC. 983. SEVERABILITY.**

24 If any section, subsection, clause, part, or provision of this Article 12-A-2, or the application
25 thereof to any person or circumstance, is held invalid or unconstitutional by a decision of a court of

1 competent jurisdiction, the remainder of this Article, including the application of such section,
2 subsection, clause, part, or provision to other persons or circumstances, shall not be affected thereby
3 and shall continue in full force and effect. To this end, the provisions of this Article 12-A-2 are
4 severable.

5
6 **SEC. 984. AMENDMENT OF ARTICLE.**

7 The Board of Supervisors may by ordinance amend or repeal this Article 12-A-2 without a vote
8 of the People of the City and County of San Francisco, except as limited by Article XIII C of the
9 California Constitution.

10
11 Section 6. The Administrative Code is hereby amended by adding Section 10.100-73,
12 to read as follows:

13 **SEC. 10.100-73. HOUSING AND HOMELESSNESS NEEDS FUND.**

14 (a) Establishment of Fund. The Housing and Homelessness Needs Fund ("Fund") is
15 established as a category four fund as defined in Section 10.100-1 of the Administrative Code, and
16 shall receive all taxes, penalties, interest, and fees collected from the tax imposed under Article 12-A-2
17 of the Business and Tax Regulations Code.

18 (b) Use of Fund. Subject to the budgetary and fiscal provisions of the Charter, monies in the
19 Fund shall be used exclusively for the purposes described in Section 978 of Article 12-A-2 of the
20 Business and Tax Regulations Code.

21 (c) Administration of Fund. As stated in Section 978 of Article 12-A-2 of the Business and Tax
22 Regulations Code, commencing with a report filed no later than January 1, 2020, covering the fiscal
23 year ending June 30, 2019, the Controller shall file annually with the Board of Supervisors, by
24 January 1 of each year, a report containing the amount of monies collected in and expended from the
25 Fund during the prior fiscal year, and such other information as the Controller, in the Controller's sole

1 discretion, shall deem relevant to the operation of Section 978 of Article 12-A-2 of the Business and
2 Tax Regulations Code.

3
4 Section 7. Appropriations Limit Increase. Pursuant to California Constitution
5 Article XIII B and applicable laws, for four years from November 8, 2016, the appropriations
6 limit for the City shall be increased by the aggregate sum collected by the levy of the tax
7 imposed by the Homelessness and Housing Impact Technology Tax Ordinance, contained in
8 Section 5 of this measure.

9
10 Section 8. The Homelessness and Housing Impact Technology Tax Ordinance,
11 contained in Section 5 of this measure, is submitted to the qualified electors of the City
12 pursuant to Article XIII C, Section 2(d) of the California Constitution, and must pass by a two-
13 thirds vote of the qualified electors in the City. If this measure does not pass by a two-thirds
14 vote of the qualified electors of the City, the entire measure shall be void and shall have no
15 effect.

16
17 Section 9. Severability. If any section, subsection, sentence, clause, phrase, or word
18 of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any
19 court of competent jurisdiction, such decision shall not affect the validity of the remaining
20 portions of the ordinance. The People of the City and County of San Francisco hereby
21 declare that they would have passed this ordinance and each and every section, subsection,
22 sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to
23 whether any other portion of this ordinance would be subsequently declared invalid or
24 unconstitutional.

1 Section 10. No Conflict with Federal or State Law. Nothing in this ordinance shall be
2 interpreted or applied so as to create any requirement, power, or duty in conflict with any
3 federal or state law.
4

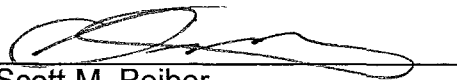
5 Section 11. Scope of Ordinance. In enacting this ordinance, the People of the City
6 and County of San Francisco intend to amend only those words, phrases, paragraphs,
7 subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other
8 constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions
9 or deletions, in accordance with the "Note" that appears under the official title of the
10 ordinance.
11

12 Section 12. Effective and Operative Date. The effective date of this ordinance shall be
13 ten days after the date the official vote count is declared by the Board of Supervisors. This
14 ordinance shall become operative on January 1, 2018.
15

16 APPROVED AS TO FORM:
17

18 DENNIS J. HERRERA, City Attorney

19 By:


20 Scott M. Reiber
Deputy City Attorney

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22
23
24
25

LEGISLATIVE DIGEST

[Initiative Ordinance - Business and Tax Regulations and Administrative Codes - Tax on Technology Companies to Fund Affordable Housing and Homeless Services; Business Registration Fee Reduction]

Motion ordering submitted to the voters at an election to be held on November 8, 2016, an ordinance amending the Business and Tax Regulations Code and Administrative Code to reduce the business registration fee on persons with \$1,000,000 or less in gross receipts and to impose a new 1.5% special tax on the payroll expense of technology companies engaged in business in the City to fund affordable housing and homeless services; and increasing the City’s appropriations limit by the amount of the new tax for four years from November 8, 2016.

Existing Law

The Business and Tax Regulations Code imposes a number of taxes on persons engaged in business in the City. Among these taxes, the business registration fee, the payroll expense tax, and the gross receipts tax are generally imposed on all persons engaged in business in the City.

The amount of a person’s business registration fee is typically determined based on the person’s gross receipts in the City for the preceding tax year. The business registration fee ranges from \$75 for certain persons with up to \$100,000 in gross receipts in the City, to \$35,000 for certain persons with gross receipts of \$200,000,001 and over in the City.

Under Proposition E passed in November 2012, the rate of the current payroll expense tax will be decreased each year until 2018, while the gross receipts tax rates will be correspondingly increased over that period.

Amendments to Current Law

Effective beginning in the fiscal year commencing July 1, 2018 and ending June 30, 2019, the proposed ordinance would reduce the business registration fee of most persons with \$1,000,000 or less in gross receipts in the City as follows:

San Francisco Gross Receipts for the Immediately Preceding Tax Year	Current Annual Business Registration Fee*	Proposed Annual Business Registration Fee
\$0 to \$100,000	\$75-\$90	\$45
\$100,000.01 to \$250,000	\$125-\$150	\$75

\$250,000.01 to \$500,000	\$200-\$250	\$125
\$500,000.01 to \$750,000	\$400-\$500	\$250
\$750,000.01 to \$1,000,000	\$600-\$700	\$350

* The lower amount generally applies to persons that were required to report all of their gross receipts under the category applicable to retail trade, wholesale trade, and certain services, and the higher amount applies to most other persons.

This ordinance would not affect the business registration fees for persons with over \$1,000,000 in gross receipts in the City for the preceding tax year.

Effective January 1, 2018, this ordinance would also impose a special tax, called the Homelessness and Housing Impact Technology Tax, at a rate of 1.5% of the total San Francisco payroll expense of technology companies engaged in business in the City, subject to certain exemptions. This tax would be in addition to all other taxes imposed by the City. The ordinance would define a technology company as generally including any person that receives any amount of gross receipts from a business within one or more of the following North American Industry Classification System ("NAICS") codes; 3341 (computer and peripheral equipment manufacturing), 5112 (software publishers), 5182 (data processing, hosting, and related services), 51913 (Internet publishing and broadcasting and web search portals), and 5415 (computer systems design and related services). The tax would generally be due on the same date and subject to similar installment payment obligations as the current payroll expense tax and gross receipts tax.

Small businesses, which generally include persons whose combined gross receipts within the City did not exceed \$1,000,000, would be exempt from the Homelessness and Housing Impact Technology Tax, and persons with combined gross receipts of less than \$500,000 would not be required to file a Homelessness and Housing Impact Technology Tax return.

After paying for the costs of administering the tax and issuing any necessary refunds of the tax, the Homelessness and Housing Impact Technology Tax would be dedicated to funding affordable housing and homeless services.

Finally, the initiative ordinance would increase the City's appropriations limit under Article XIII B of the California Constitution by the amount of Homelessness and Housing Impact Technology Tax collected, for four years from the date of the election.

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Wong, Linda (BOS)

From: Khan, Asim (CON)
Sent: Monday, August 01, 2016 12:58 PM
To: Calvillo, Angela (BOS); BOS-Supervisors; BOS-Legislative Aides; Kawa, Steve (MYR); Elliott, Jason (MYR); Steeves, Asja (CON); Campbell, Severin (BUD); Newman, Debra (BUD); Rose, Harvey (BUD); Rosenfield, Ben (CON); Rydstrom, Todd (CON); Lane, Maura (CON); 'gmetcalf@spur.org'; 'jballesteros@sanfrancisco.trvel'; SF Docs (LIB); Howard, Kate (MYR); Whitehouse, Melissa (MYR); Tsang, Francis; Elliott, Nicole (MYR); CON-Finance Officers; Hussey, Deirdre (MYR); jjackson@sfchamber.com; Wong, Linda (BOS); Pagoulatos, Nickolas (BOS)
Cc: Egan, Ted (CON)
Subject: Report Released: Tax on Technology Companies to Fund Housing & Homeless Services: Economic Impact Report

The Controller's Office of Economic Analysis has released a report on the proposed initiative ordinance to impose tax on technology companies to fund housing and homeless services. The report may be accessed here:

<http://openbook.sfgov.org/webreports/details3.aspx?id=2340>

Main Conclusions

The proposed legislation would impose a supplemental tax on the payroll expense of technology companies doing business in San Francisco, and reduce the business registration fees of businesses with less than \$1 million in gross receipts within in the city. The tax would be set at a rate of 1.5% of a technology company's payroll in San Francisco, and would be imposed, beginning in 2018, in addition to the Gross Receipts and Payroll Expense taxes now paid by businesses in the city.

Since the technology industry has become such an important part of San Francisco's economy, the proposed tax would likely have a major impact on the future of the local economy, and City finances. While the Controller's Office has projected the tax could raise \$70-\$140 million, this is likely an underestimate, given the broad definition of "technology company" in the tax.

We forecast the tax would lead to a net loss of approximately 870 jobs over a twenty-year forecast period. Additionally, while tax would put downward pressure on housing prices in San Francisco, by limiting demand, our analysis indicates it would put greater downward pressure on earnings. For this reason, it would, on average, make housing less affordable. In addition, the proposed tax would reduce the stability of the City's business tax revenue, and increase administration costs.

If the City wishes to raise an additional \$120 million in business tax revenue in 2018, it may be more straightforward to simply adjust the Gross Receipts Tax rates at that time. Such an approach would minimize the economic harm of enacting a new payroll tax, promote greater revenue stability, and reduce the City's administrative costs.

For questions about the report, please contact Ted Egan at ted.egan@sfgov.org

Thanks,
Asim

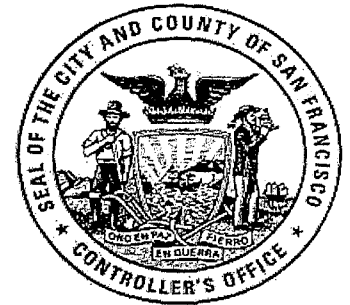
Asim Khan, Ph.D.

Principal Economist, Office of Economic Analysis
Controller's Office
City and County of San Francisco

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Tax on Technology Companies to Fund Housing & Homeless Services: Economic Impact Report

Office of Economic Analysis

Item #160760

August 1st, 2016

Introduction

- The proposed legislation would impose a supplemental tax on the payroll expense of technology companies doing business in San Francisco, and reduce the business registration fees of businesses with less than \$1 million in gross receipts within in the city.
- The supplemental tax, known as the "Homelessness and Housing Impact Technology Tax", would be set at a rate of 1.5% of an affected business's payroll in San Francisco, and would be imposed in addition to the Gross Receipts and Payroll Expense taxes now paid by businesses in the city.
- Although the tax is being proposed for the November 2016 ballot, the tax and fee changes would not go into effect until 2018.
- The proposed tax would be dedicated to housing and homeless services. As a dedicated tax, it would require approval by two-thirds of the voters to be adopted.
- The Office of Economic Analysis (OEA) has prepared this report because it has determined that the tax could have a material impact on the city's economy if it was adopted.

Rate, Tax Base, Applicability, and Timing of the Proposed Tax

- The proposed tax would be levied at the rate of 1.5% of a technology company's payroll expense in San Francisco.
- "Payroll expense" is defined in the proposed tax exactly the same way it is defined in the City's existing Payroll Expense Tax, except none of the current exclusions, such as those for stock options, may apply to the proposed tax.
- Any technology company with less than \$1 million in San Francisco gross receipts would be exempt from this proposed tax. Such businesses would still benefit from the reduction in business registration fee.
- The tax would go into effect on January 1, 2018. Small businesses would begin paying the reduced business registration fee in Spring, 2018.

Current and Proposed Annual Business Registration Fees

For Wholesale and Retail Trade, and Certain Services

Gross Receipts	Current Fee	Proposed Fee
\$0 to \$100,000	\$75	\$45
\$100,001 to \$250,000	\$125	\$75
\$250,001 to \$500,000	\$200	\$125
\$500,001 to \$750,000	\$400	\$250
\$750,001 to \$1,000,000	\$600	\$350

For All Other Businesses

Gross Receipts	Current Fee	Proposed Fee
\$0 to \$100,000	\$90	\$45
\$100,001 to \$250,000	\$150	\$75
\$250,001 to \$500,000	\$250	\$125
\$500,001 to \$750,000	\$500	\$250
\$750,001 to \$1,000,000	\$700	\$350

Definition of a Technology Company

- The proposed tax defines "technology company" as a company doing business in San Francisco that receives any gross receipts from any of five technology business activities, defined in the North American Industrial Classification System (NAICS).
- The definition of technology company in the legislation is broader than the definition used by government statistical agencies, which classify businesses by their *primary* activity. Even companies operating in the city whose primary activity is not technology would owe the proposed tax, if they received *any* sales, at any location, from a business activity described by those NAICS codes.
- The tax is paid against the full amount of payroll expense incurred by an affected company within San Francisco, even if no San Francisco employees work in any of the technology business activities covered by the tax.
- The applicable technology business activities are:
 - Computer & Peripheral Equipment Manufacturing (NAICS 3341)
 - Software Publishing (NAICS 5112)
 - Data Processing, Hosting, and Related Services (NAICS 5182)
 - Internet Publishing & Broadcasting and Web Search Portals (NAICS 51913)
 - Computer Systems Design and Related Services (NAICS 5415)

Policy Background: Stock Options and Payroll Tax Exclusions

- In 2004, the City amended* the Payroll Expense tax to include "property issued or transferred in exchange for the performance of services (including but not limited to stock options)".
- Early-stage technology companies particularly utilize stock options, which are opportunities for employees to purchase company stock at a discount, if it becomes successful in the future.
- If a company's stock options become particularly valuable, the City's taxation of them can create an incentive to move out of San Francisco. No other city in the Bay Area taxes stock options.
- The recognition that the taxation of stock options creates an incentive for early-stage companies to leave the city was a motivation for two payroll tax exclusions† passed by the City in 2011. Both exclusions allowed early-stage technology companies to avoid some tax on stock options.
- As discussed earlier, the new tax would not allow any exclusion of stock options.

* Ordinance 26-04

† The Central Market Payroll Tax Exclusion (Ordinance 68-11) and the Pre-IPO Stock-Based Compensation Exclusion (Ordinance 87-11)

Policy Background: 2012 Shift from Payroll To Gross Receipts

- In 2012, San Francisco approved the introduction of a new business tax on Gross Receipts*, and a phase-out of the Payroll Expense Tax, which the City has levied on businesses for several decades.
- The new tax was designed to phase in gradually over the 2014-18 period, while the Payroll Expense Tax is phased out in a way that is revenue-neutral to the City and business taxpayers.
- At the end of the phase-in period in 2018, the City will have either fully phased-out, or greatly reduced, the Payroll Expense Tax.
- The proposed tax would only go into effect after the phase-in is completed. If enacted, the City could potentially have three business taxes: a Gross Receipts Tax, a residual Payroll Expense tax, and the new tax on technology companies.

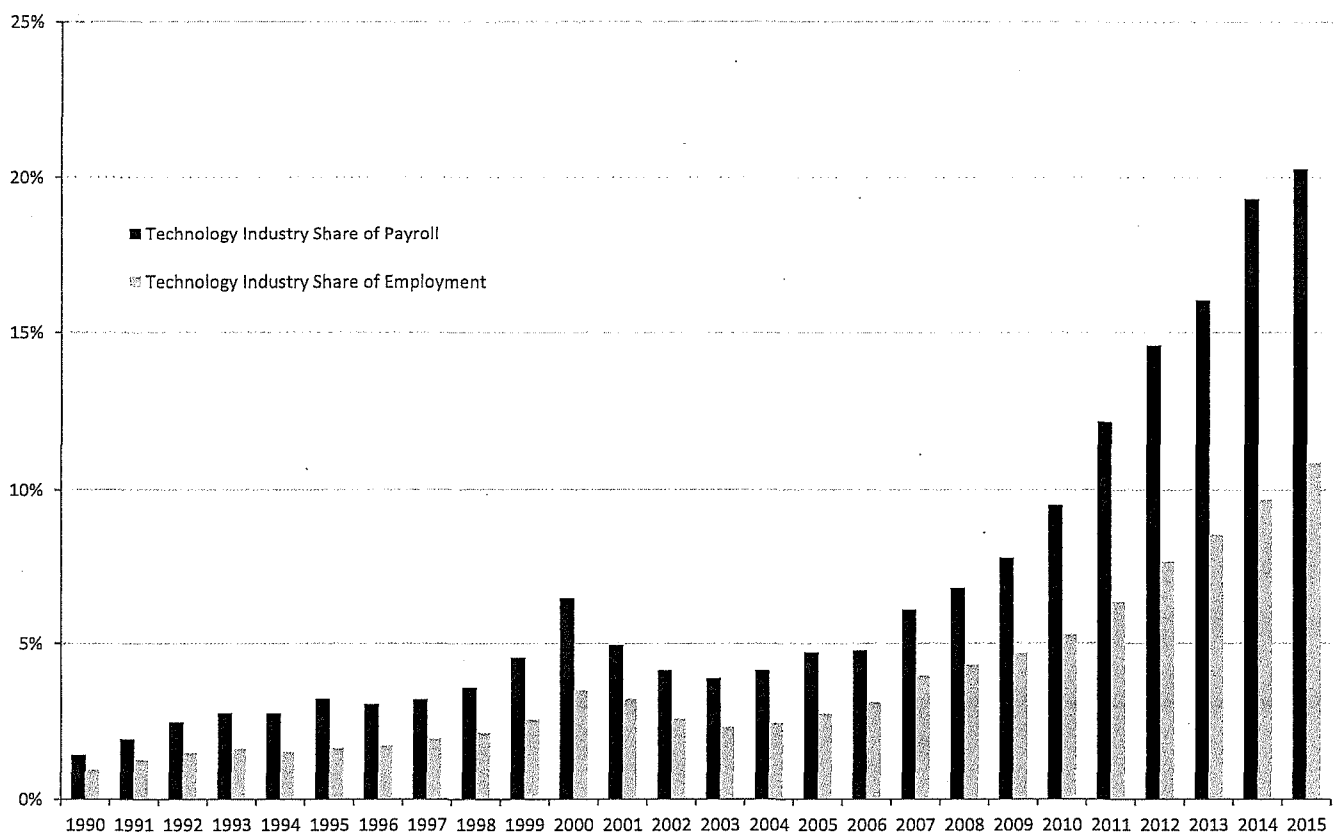
* Proposition E in 2012.

Revenue Impacts of the Proposal

- The Controller's Office has estimated that the proposed tax will generate between \$70 million and \$140 million per year, based on economic statistics produced by the federal Bureau of Labor Statistics (BLS). This is approximately 20% of the City's existing business tax, from its Gross Receipts and residual Payroll Expense taxes.
- As discussed earlier, the proposed tax would apply to more companies than those identified as technology companies in BLS statistics. The tax counts a company with any technology sales as a technology company, while the BLS classifies a company based on its primary business activity.
- For this reason, the Controller's estimates likely understate the actual revenue the tax will generate. However, there is no better source of economic data with which to make a revenue estimate.
- The proposed reductions to the business registration fee for small businesses are expected to reduce revenue by \$5.3 million per year. This estimate is more robust than the tax revenue estimate can be.

Technology's Expanding Role in San Francisco's Economy

Technology Industry Share of Private Sector
Payroll and Employment in San Francisco, 1990-2015



During this decade, the Technology sector has transformed San Francisco's economy. The sector's share of the city's total private sector payroll and employment has more than doubled in the five years from 2010 to 2015.

By 2015, technology was three times as important as it was in 2000, at the height of the original dot-com boom.

Any tax focused on this industry will therefore have a significant effect on the future of the city's economy, and City revenues.

Evaluating Tax Policies: the EASE Principles

Major tax proposals are often evaluated according to a multi-faceted set of criteria that address their impacts on the economy, City administration and budgeting, and equity. These principles are sometimes summarized with the acronym EASE:

- Efficiency – what are the economic costs and benefits of the proposal?
- Administration -- how does the proposal affect the City's cost of administering the tax?
- Stability – does the proposal increase or decrease the stability of the City's tax revenues?
- Equity – does the proposal make the tax system more equitable?

Efficiency: What are the Economic Costs and Benefits?

- Like any tax, the proposed supplemental payroll tax would create economic costs and benefits within the city's economy.
- We project the proposed tax would affect the economy in the following ways:
 - By increasing the cost of labor for technology companies, it would tend to reduce the number of workers employed by that sector, and the wages they earn.
 - The reduction in technology sector employment and wages would create negative multiplier effects in the local economy, such as reduced demand for business services, business travel, and building services that support technology companies.
 - To the extent the reduction of employment in the city reduces the desire of technology workers to live in the city, the tax will lead to lower demand for housing and consumer goods such as retail goods, personal services, and restaurants and bars.
 - On the other hand, as mentioned earlier, the tax is dedicated to homeless services and affordable housing. That government spending creates a stimulative effect in the local economy.
 - Furthermore, it is likely that investment in homeless services improves the economic prospects of homeless people, and therefore in the long term reduces social service costs born by the public sector. However, the OEA is unable to quantify those benefits for this report.

Economic Impact Assessment

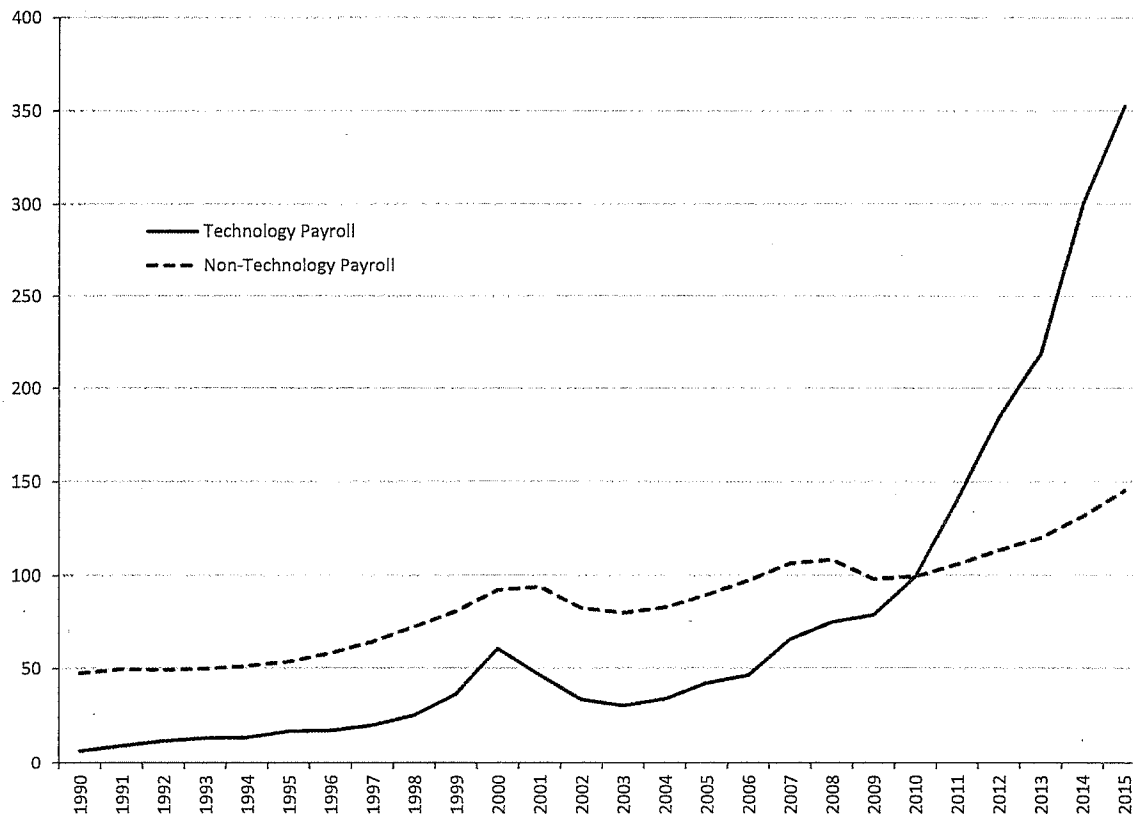
- Using our REMI model of the San Francisco economy, the OEA simulated the impact of the following changes:
 - a 1.5% increase in payroll expense for the technology industries identified in the legislation.
 - a \$115 million increase in City spending on housing and homeless services.
- The simulation modelling suggests that the proposed tax will result in:
 - A net loss of approximately 870 jobs over a twenty-year forecast period.
 - A decline in earnings in every sector except social services, with the greatest decline (0.6%) in the Information and Professional Services sectors.
 - A decrease in housing prices of 0.18%.
 - Despite the decrease in housing prices, real personal income (personal income adjusting for prices, including housing prices), is projected to decline by 0.13%, because of the decline in employment and wages.
- Because the decline in earnings will more than offset the decline in housing prices, housing will be less affordable, on average.
- This is possibly the case because some of the tax would fall on technology company employees, many of whom do not live in the city. Technology workers who live, but do not work, in the city would be unaffected. Hence their demand for housing would be unchanged by the tax.

Administration: The City's Costs of Administering the Tax

- Administration costs reduce the efficiency of a tax, because they represent the government's cost of collecting the tax revenue. The greater the administrative cost, the less funds are available for public services.
- The City's business tax administration costs have risen significantly since the adoption of the new Gross Receipts tax, both because of the need to prepare to administer an entirely new tax, and because the Treasurer's Office is administering two separate business taxes at the same time.
- After the phase-in period is completed, if the payroll tax is fully phased-out, administration are expected to decline, because only one business tax would be administered.
- If the proposed tax were adopted, the City would be administering two distinct business taxes for a indefinite period of time.
- Since the proposed tax would not go into effect until 2018 anyway, changing the Gross Receipts Tax in 2018, rather than introducing an entirely different tax, would minimize the City's administrative costs.

Stability: Does the Tax Facilitate Budgeting by Being Stable?

Growth in Total Payroll: Technology and Non-Technology Companies in San Francisco, 1990-2015 (2010=100)



Stability is an important criterion for assessing a tax system because unstable revenues introduce uncertainty and inefficiency into the budget process, creating either greater budgetary risk, or a need for higher reserves.

The chart to the left indicates the growth of the total payroll of technology companies and the remainder of San Francisco's private sector, from 1990 to 2015. Technology payroll is three times more volatile than the rest of the city's private sector, so a tax on technology payroll will reduce the stability of the city's tax revenues.

Equity: Is the Tax Fair?

- The equity of tax proposals are often described in "vertical" or "horizontal" equity terms:
 - Vertical: Do those with the greatest ability to pay, pay the most tax?
 - Horizontal: Does the tax treat payers equally, when they have an equal ability to pay?
- The evaluation tax equity at a local level in California is somewhat challenging, because California cities are prohibited from taxing business or personal income, the clearest measure of "ability to pay".
- Instead, cities typically rely on proxies that more roughly reflect ability to pay, like business size. The City's Gross Receipts Tax, for example, charges higher rates for higher gross receipts tiers.
- The proposed tax is a flat 1.5% tax, but the growth and high wages of the technology sector suggests a high ability to pay. On vertical equity terms, therefore, the proposed tax likely makes the business tax system more equitable.
- Technology is not, however, the only industry that has been growing or the only industry that pays high wages. By not proportionally increasing the tax on other industries that may have a comparable ability to pay, the proposed tax is likely less equitable on horizontal terms.

Conclusions and Recommendations

- Because the technology industry has become such an important part of San Francisco's economy, the proposed tax would likely have a major impact on the future of the local economy, and City finances.
- While the Controller's Office has projected the tax could raise \$70-\$140 million, this is likely an underestimate, given the broad definition of "technology company" in the tax.
- While the tax would put downward pressure on housing prices in San Francisco, by limiting demand, our analysis indicates it would put greater downward pressure on earnings. For this reason, it would, on average, make housing less affordable in San Francisco.
- In addition, the proposed tax would reduce the stability of the City's business tax revenue, and increase administration costs.
- If the City wishes to raise an additional \$120 million in business tax revenue in 2018, it may be more straightforward to simply adjust the Gross Receipts Tax rates at that time. Such an approach would minimize the economic harm of re-creating the payroll tax, promote greater revenue stability, and reduce the City's administrative costs.

Staff Contacts

Ted Egan, Ph.D., Chief Economist
ted.egan@sfgov.org



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

July 29, 2016

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

RE: File 160760 – Ordinance to create a tax on technology companies to fund affordable housing and homeless services (first draft)

Dear Ms. Calvillo,

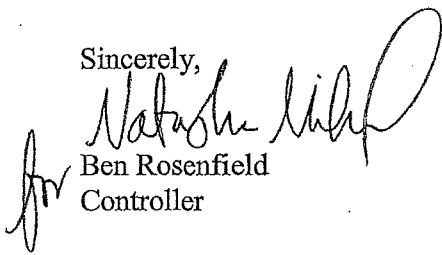
Should this ordinance be approved, in my opinion, it would result in an annual revenue increase to the City of approximately \$65 to \$135 million, although the actual revenue impact may be greater.

The proposed ordinance would impose a special tax at a rate of 1.5 percent on the payroll expense of technology companies, identified as those in certain categories of the North American Industry Classification System (NAICS). However, the tax would apply to more companies as the tax counts a company with any technology sales as a technology company, not just those classified based on their primary business activity. For this reason, my office's estimates likely understate the actual revenue the tax will generate.

The proposed ordinance would create the Homeless and Housing Impact Tax and would generate approximately \$70 to \$140 million in revenue per year. Proceeds from this tax would be deposited into the newly created Housing and Homelessness Needs Fund which would fund affordable housing and homeless services, including any administrative costs. Small businesses, generally those who do not exceed \$1,000,000 in gross receipts, would be exempt from this new tax.

Additionally, the proposed ordinance would reduce the business registration fee for most persons with \$1,000,000 or less in gross receipts. The proposed reductions to the business registration fee for small businesses would reduce revenue by \$5.3 million per year.

Sincerely,


Ben Rosenfield
Controller

This analysis reflects our current understanding of the proposal. We will update this analysis as additional information becomes available. Should this item be placed on the November 8, 2016 ballot, we will prepare a fiscal impact statement for the Voter Information Pamphlet.

sf.citi ();

File # 110760
Received in
Committee
8/1/16
for

August 1, 2016

*Honorable Eric Mar
Board Supervisor of District 1
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102*

The San Francisco Citizens Initiative for Technology and Innovation (sf.citi), along with its members and supporters, would like to express our strong opposition to the proposed motion to impose a 1.5% special tax solely on the payroll expenses of the San Francisco technology sector. Targeting a specific industry, this motion seeks to divide the city instead of working toward a solution to end homelessness and the housing crisis.

As one of the largest employers in San Francisco, with over 2,100 companies established here and over 71,000 jobs created, the technology sector continues to grow rapidly. In California, tech sector job growth outpaces other industries at a ratio of 27 to 1. With San Francisco as the heart of this industry and its growth, our City achieved a 2.9% unemployment rate this past May - below both the state and federal unemployment rate of 4.7% - and one of the lowest unemployment rates across the nation.

In addition to providing for a high-skilled workforce, the technology industry also creates a quantifiable job multiplier effect, growing opportunity within other sectors as well. On average, each high-tech job created in San Francisco results in the creation of 2.5 jobs across additional goods and services sectors, such as healthcare, service, and retail, in all income groups.

In 2012, San Francisco voters overwhelmingly eliminated an antiquated payroll tax structure in place of a gross-receipts model to alleviate negative impacts on job growth and hiring. At the time, San Francisco faced an unemployment rate of 7.2%, more than double the current rate, and was the only major city in California to still implement a payroll tax. We fear that bringing back this payroll tax could force many San Francisco technology companies to relocate their business to neighboring cities, scale back on hiring, discourage new companies from committing to or being created in our City and stall the current pace of job creation.

As an advocacy organization, sf.citi was created to build a One City approach to meaningful, ongoing conversation between our community, government and the tech industry. Like other San Franciscans, our members are deeply invested in the success of their city and working together to develop solutions to our

sf.citi ();

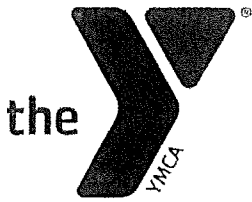
housing shortage, homelessness and affordability. Unfortunately, regressing to a punitive payroll tax on a single sector is not a viable long term solution, and will only widen the gap between the industry and the city, ultimately setting San Francisco back on a global scale as a leader of innovation.

Signed,

sf.citi Board of Directors, Members, and Supporters

CC:

Honorable Mark Farrell, Board Supervisor of District 2;
Honorable Aaron Peskin, Board Supervisor of District 3;
Honorable Katy Tang, Board Supervisor of District 4;
Honorable London Breed, Board Supervisor of District 5;
Honorable Jane Kim, Board Supervisor of District 6;
Honorable Norman Yee, Board Supervisor of District 7;
Honorable Scott Weiner, Board Supervisor of District 8;
Honorable David Campos, Board Supervisor of District 9;
Honorable Malia Cohen, Board Supervisor of District 10;
Honorable John Avalos, Board Supervisor of District 11



FOR YOUTH DEVELOPMENT™
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

July 29, 2016

*Honorable Eric Mar
Board Supervisor of District 1
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102*

Bayview YMCA would like to express our opposition to the proposed motion to impose a 1.5% special tax solely on the payroll expenses of the San Francisco technology sector. Rather than taking a collective approach, this tax seeks to drive a divide between our nonprofit community, the tech sector, and the greater San Francisco community.

As a nonprofit leader in San Francisco, Bayview YMCA works to collaborate with tech companies across the city to combat issues of poverty. Each year, tech partners provide major resources towards funding programs to address these issues, as well as provide thousands of volunteer hours. By partnering with the tech community, nonprofits like Bayview YMCA are better able to address our city's needs through innovative, collective approaches.

We believe in taking a One City approach to meaningful, ongoing conversation between our community, government, and the tech industry. Together, we are all deeply invested in the success of their city and working together to develop solutions to our housing shortage, homelessness, and affordability issues. Rather than driving a divide between the tech community and the city, we believe that continuing to work together to generate innovative solutions is the only way to galvanize the support and actions needed to truly turn the curve on the issues facing San Francisco.

Signed,

Takija T. Gardner
Senior Executive Director

CC:

Honorable Mark Farrell, Board Supervisor of District 2;
Honorable Aaron Peskin, Board Supervisor of District 3;
Honorable Katy Tang, Board Supervisor of District 4;
Honorable London Breed, Board Supervisor of District 5;
Honorable Jane Kim, Board Supervisor of District 6;
Honorable Norman Yee, Board Supervisor of District 7;
Honorable Scott Weiner, Board Supervisor of District 8;
Honorable David Campos, Board Supervisor of District 9;
Honorable Malia Cohen, Board Supervisor of District 10;
Honorable John Avalos, Board Supervisor of District 11

BAYVIEW HUNTERS POINT YMCA

1601 Lane Street, San Francisco, CA 94124
P 415 822 7728 F 415 822 7769 www.ymcasf.org/bayview



FAMILY SERVICES

Compass Family Services
49 Powell Street
San Francisco, CA 94102

Honorable Eric Mar
Board Supervisor of District 1
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Supervisor Mar,

Since moving into the Mid-Market neighborhood 5 (or is it 6 now?) years ago, both Zendesk and Twitter have only deepened and strengthened its relationship with the community Compass Family Services works in and serves. Compass Family Services helps homeless and at-risk families achieve housing stability, well-being and economic self-sufficiency.

Zendesk has become a critical partner for us in enriching the lives of our clients and staff. Not only does Zendesk contribute financially every year to Compass' Community Investment Grant program, its employees work with us regularly by participating on our Leadership Council; supporting our Adopt-a-Family program every year, which provides hundreds and thousands of gifts to homeless and at-risk families during the Holidays; painting and cleaning our facilities; and putting employee time into solving technical problems we face in our daily operations. Meanwhile, our relationship with Twitter has led to the development of the Neighbor Nest, an incredible addition to the Compass Family suite of services that we hope will continue to drive our efforts to find our clients meaningful, well-paid jobs.

With that, Compass Family Services is opposed to the motion to impose a 1.5% special tax solely on the payroll expenses of the San Francisco technology sector. In our opinion, tech companies in the Mid-Market neighborhood are working collaboratively with the non-profit sector to create and build community as well as find creative solutions to address the issues homeless families face is good. We do not see this proposed ballot initiative as constructive or conducive to addressing the root cause of the housing crisis in San Francisco and the underlying causes of family homelessness.

Sincerely,

Colm Hegarty
Director of Development
Compass Family Services

CC:

Honorable Mark Farrell, Board Supervisor of District 2;

Honorable Aaron Peskin, Board Supervisor of District 3;

Honorable Katy Tang, Board Supervisor of District 4;

Honorable London Breed, Board Supervisor of District 5;

Honorable Jane Kim, Board Supervisor of District 6;

Honorable Norman Yee, Board Supervisor of District 7;

Honorable Scott Weiner, Board Supervisor of District 8;

Honorable David Campos, Board Supervisor of District 9;

Honorable Malia Cohen, Board Supervisor of District 10;

Honorable John Avalos, Board Supervisor of District 11



UNITED WAY OF THE BAY AREA

550 Kearny St., Ste. 1000
San Francisco, CA 94108
415.808.4300

1970 Broadway, Ste. 400
Oakland, CA 94612
510.238.2410



www.uwba.org

July 29, 2016

*Honorable Eric Mar
Board Supervisor of District 1
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102*

The United Way of the Bay Area would like to express our opposition to the proposed motion to impose a 1.5% special tax solely on the payroll expenses of the San Francisco technology sector. Rather than taking a collective approach, this tax seeks to drive a divide between our nonprofit community, the tech sector, and the greater San Francisco community.

As a nonprofit leader in San Francisco, United Way works to collaborate with tech companies across the city to combat issues of poverty. Each year, tech partners provide major resources towards funding programs to address these issues, as well as provide thousands of volunteer hours. By partnering with the tech community, nonprofits like United Way are better able to address our city's needs through innovative, collective approaches.

To further solidify our collaboration with the tech industry, United Way chairs sf.citi's One City Forum, a council of four nonprofit and community leaders and four tech industry leaders. Under sf.citi's leadership, this council works to drive ongoing conversations and partner between the nonprofit and tech industries. We believe that tech leaders in San Francisco can learn from the dedicated community and nonprofit leaders who have been serving our city for generations - likewise, there is much that community nonprofits can gain from partnering with tech companies to strengthen their impact.

We believe in taking a One City approach to meaningful, ongoing conversation between our community, government, and the tech industry. Together, we are all deeply invested in the success of their city and working together to develop solutions to our housing shortage, homelessness, and

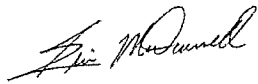
Honorable Eric Mar

July 29, 2016

Page 2

affordability issues. Rather than driving a divide between the tech community and the city, we believe that continuing to work together to generate innovative solutions is the only way to galvanize the support and actions needed to truly turn the curve on the issues facing San Francisco.

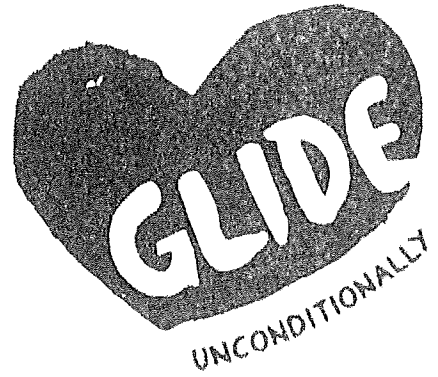
Regards,



Eric McDonnell
Chief Operating Officer

CC:

Honorable Mark Farrell, Board Supervisor of District 2;
Honorable Aaron Peskin, Board Supervisor of District 3;
Honorable Katy Tang, Board Supervisor of District 4;
Honorable London Breed, Board Supervisor of District 5;
Honorable Jane Kim, Board Supervisor of District 6;
Honorable Norman Yee, Board Supervisor of District 7;
Honorable Scott Weiner, Board Supervisor of District 8;
Honorable David Campos, Board Supervisor of District 9;
Honorable Malia Cohen, Board Supervisor of District 10;
Honorable John Avalos, Board Supervisor of District 11



July 29, 2016

Board of Supervisors
City of San Francisco
City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco CA 94102-4689

Dear San Francisco Board of Supervisors:

In a city marked by extreme income and racial inequality, at a time when we have such a large number of San Franciscans homeless and mentally ill on our streets, it is essential that we come together to develop comprehensive and lasting solutions to the human crises so visible all around us.

At GLIDE, we have dedicated ourselves to alleviating the suffering of the poor and marginalized for over fifty years. Our work begins with unconditional love and acceptance of all people as we work to create a radically inclusive, just and loving community, mobilized to both alleviate suffering and break the cycles of poverty.

It is in this spirit, grounded in our unique history and role as a convener, that we would like to see all city stakeholders partner with the City to support consequential and lasting revenue solutions for addressing affordable housing and homelessness.

While tech has become a metaphor for displacement in an era of unprecedented gentrification, we invite the entire Bay Area business community to participate in the work of building a more just and equitable city. We do not support proposals like the "technology tax" being considered that could further divide our community and distract us from the more important work of finding meaningful solutions together.

Respectfully,

A handwritten signature in black ink, appearing to read "Rita Shimmmin".

Rita Shimmmin
Executive Director

A handwritten signature in black ink, appearing to read "James B. Lin".

James B. Lin
Sr. Director of GLIDE's Center for Social Justice



July 29, 2016

*Honorable Eric Mar
Board Supervisor of District 1
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102*

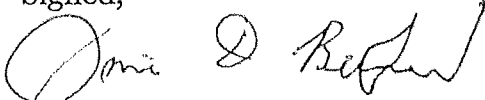
Meals on Wheels would like to express our opposition to the proposed motion to impose a 1.5% special tax solely on the payroll expenses of the San Francisco technology sector. Rather than taking a collective approach, this tax seeks to drive a divide between our nonprofit community, the tech sector, and the greater San Francisco community.

As a nonprofit leader in San Francisco, Meals on Wheels works to collaborate with tech companies across the city to combat issues of poverty. Each year, tech partners provide major resources towards funding programs to address these issues, as well as provide thousands of volunteer hours. By partnering with the tech community, nonprofits like Meals on Wheels are better able to address our city's needs through innovative, collective approaches. An example would be Zendesk, who helped Meals on Wheels launch our new "Adopt a Building" program where they take on the meal deliveries for our homebound seniors at an SRO a few blocks away on a daily basis, sending different volunteers each day. And soon after Pinterest jumped on board. And the list of tech companies in the process of coming on board or interested in supporting this program grows faster every day. Understandably with the Baby Boomers coming of age, demand for our service will grow rapidly. The "Adopt a Route" program as it matures will allow us to serve the many more homebound seniors desperately in need of food.

To further solidify our collaboration with the tech industry, Meals on Wheels sits on sf.citi's One City Forum, a council of four nonprofit and community leaders and four tech industry leaders. Under sf.citi's leadership, this council works to drive ongoing conversations and partner between the nonprofit and tech industries. We believe that tech leaders in San Francisco can learn from the dedicated community and nonprofit leaders who have been serving our city for generations - likewise, there is much that community nonprofits can gain from partnering with tech companies to strengthen their impact.

We believe in taking a One City approach to meaningful, ongoing conversation between our community, government, and the tech industry. Together, we are all deeply invested in the success of their city and working together to develop solutions to our housing shortage, homelessness, and affordability issues. Rather than driving a divide between the tech community and the city, we believe that continuing to work together to generate innovative solutions is the only way to galvanize the support and actions needed to truly turn the curve on the issues facing San Francisco.

Signed,

A handwritten signature in black ink, appearing to read "Danie Belfield". The signature is written in a cursive style with a large initial "D".

Danie Belfield

Director of Volunteers

office: 415-343-1311 | cell: 415-724-8283 | dbelfield@mowsf.org

CC:

Honorable Mark Farrell, Board Supervisor of District 2;
Honorable Aaron Peskin, Board Supervisor of District 3;
Honorable Katy Tang, Board Supervisor of District 4;
Honorable London Breed, Board Supervisor of District 5;
Honorable Jane Kim, Board Supervisor of District 6;
Honorable Norman Yee, Board Supervisor of District 7;
Honorable Scott Weiner, Board Supervisor of District 8;
Honorable David Campos, Board Supervisor of District 9;
Honorable Malia Cohen, Board Supervisor of District 10;
Honorable John Avalos, Board Supervisor of District 11

Year Up Bay Area
San Francisco location:
80 Sutter Street
San Francisco, CA 94104
(415) 512-7588
www.yearup.org

Silicon Valley location:
100 West San Fernando Street
Suite 103
San Jose, CA 95113
(408) 283-9553



To: The San Francisco Board of Supervisors

From: Jay Banfield, Chief Officer for Scale & Innovation, Strategy & Governance, Year Up

Date: August 29, 2016

Year Up is a national non-profit organization that empowers low income young adults to move from poverty to professional careers in a single year. We accomplish this by providing underserved young adults with the skills, knowledge, and experience that today's businesses demand and that ensure that these young adults will begin successful careers earning a living wage. Our program model is founded on the idea of high expectations and high support. We expect dedication and hard work from the young adults we serve, and we support them with the challenges they encounter, whether that is through mentorship, transportation scholarships, or helping them find a place to sleep at night. We know that professional and economic success are a product of many factors and we seek to provide holistic support to the young adults we serve.

A key part of the success of our program is the support of our corporate partners. Since Year Up Bay Area was founded in 2008, our corporate partners have provide internship experience, internship sponsorship contributions, and philanthropic donations that have helped improve the lives of more than 1,675 Bay Area young adults. Given our location, many of our corporate partners are technology companies. Salesforce was one of our founding partners when we opened in 2008, committing to providing greater opportunity to the young adults of San Francisco. Since then, our partnerships in the technology industry have grown to include 21 San Francisco based technology companies. These 21 companies have been vital to creating economic opportunity in San Francisco. They have provided:

- 702 internships for Year Up young adults—skilled roles in the growing technology field
- Approximately \$16.8 million in internship sponsorship contributions
- Approximately \$6 million in donations and grants from their corporate and foundation entities

These investments in Year Up are powerful investments in the San Francisco community, as illustrated by our outcomes. 87% of Year Up Bay Area graduates are employed or pursuing education within four months of graduating, and those employed earn an average starting salary of \$22 per hour. In a climate of escalating cost of living, earnings and opportunities for economic advancement are more important than ever. Our impact extends beyond the more than 1,675 young adults we've served in the Bay Area. They, in turn, empower their families and communities, where they are contributing members of the community, economic assets, and examples of the transformative power of opportunity.

Through partnership, Year Up and many technology companies of San Francisco are providing solutions to both the skills gap and the Opportunity Divide—solutions that are empowering our San Francisco community and creating lasting impact.

160760

Wong, Linda (BOS)

From: Board of Supervisors, (BOS)
Sent: Monday, August 01, 2016 8:46 AM
To: BOS-Supervisors; Wong, Linda (BOS)
Subject: File 160760 FW: Materials Submission -- August 1st Budget and Finance Committee
Attachments: BACEI BoS Mtg 8-1 160760.pdf

From: Patrick Kallerman [mailto:pkallerman@bayareacouncil.org]
Sent: Friday, July 29, 2016 3:39 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: Micah Weinberg <mweinberg@bayareacouncil.org>; John Grubb <jgrubb@bayareacouncil.org>
Subject: Materials Submission -- August 1st Budget and Finance Committee

To whom it may concern,

The Bay Area Council Economic Institute would like to submit the attached letter for consideration at the August 1st Budget and Finance Committee meeting in relation to Item #2 [Initiative Ordinance - Business and Tax Regulations and Administrative Codes - Tax on Technology Companies to Fund Affordable Housing and Homeless Services; Business Registration Fee Reduction].

Best regards,

Patrick Kallerman | Research Manager
BAYAREA COUNCIL ECONOMIC INSTITUTE
353 Sacramento Street, Suite 1000 | San Francisco, CA 94111
o. 415-946-8735 | e. pkallerman@bayareacouncil.org

July 29, 2016



Budget & Finance Committee
San Francisco Board of Supervisors
City Hall, Room 250
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: The negative impact of the proposed tech tax on the San Francisco economy

Dear Budget & Finance Committee,

The proposed Homelessness and Housing Impact Technology Tax puts 3,675 jobs at risk across San Francisco in all industry sectors and levels of income, including middle-wage and working-class jobs. It could also do significant damage to the competitive advantage in technology and innovative that San Francisco has worked to build over many years. This advantage has helped the city grow employment by more than 150,000 jobs since the recession, making it one of the fastest growing economies in the U.S.

The proposal would levy a 1.5% tax on payroll expenses for large companies in certain technology sectors. The initiative lists five industry classifications that would fall under the payroll tax: computer and peripheral equipment manufacturing; software publishers; data processing, hosting, and related services; internet publishing and broadcasting; and computer systems design.

Technology companies within these categories play key roles in the economy of the Bay Area, and specifically in San Francisco:

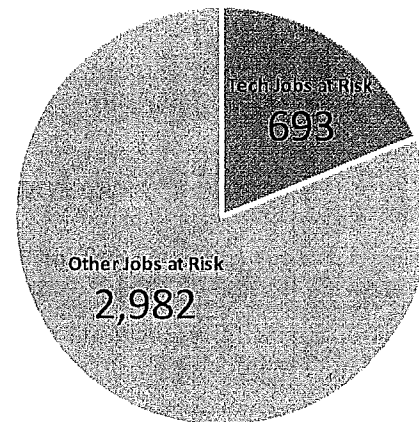
- In the third quarter of 2015, there were over 2,000 business establishments in these categories operating in San Francisco.
- These establishments employed 69,337 workers within San Francisco, nearly 12% of the city's total employment for the third quarter of 2015.
- For each job created in the local tech sector, approximately 4.3 additional jobs are supported in the local economy. These jobs are at all levels of income for lawyers, dentists, schoolteachers, cooks, and retail clerks (Bay Area Council Economic Institute, 2012).

These types of taxes have long been a source of controversy as they have been faulted on economic and equity grounds. By taxing the payroll expenses of the largest technology companies, the city would be placing a tax on jobs. The Controller's Office of Economic Analysis has previously estimated that a 1.5% payroll tax across the city could depress employment by 1.0% (2010). Applying this figure to the sectors affected would put 693 technology jobs at risk, along with 2,982 jobs that the tech sector supports. Payroll taxes are also partially borne by employees—in the form of slower wage growth—which limits their spending in San Francisco and further constrains economic growth (Pomerleau, 2014).

From 1990 to 2014, San Francisco had a payroll tax that was the city's second largest source of general fund revenue. City voters recognized the flawed logic in taxing payrolls when they approved an ordinance in 2012 that evenly replaced the historic payroll expense tax on all San Francisco companies with a tax on gross receipts. Before the vote, the Controller's Office of Economic Analysis highlighted the negative effects of a payroll tax (2012):

- Discourages job creation by raising labor costs.
- Places a burden on future economic growth and business creation.
- Creates arbitrary cut-offs for small businesses to be excluded.

Jobs at Risk Due to Tech Payroll Tax



Source: California Employment Development Dept.
Analysis: Bay Area Council Economic Institute

Since the 2014 tax change, business tax revenues to San Francisco government are projected to grow by over \$130 million, from \$533 million in fiscal year 2013-2014 to \$669 million in the mayor's most recent budget proposal.

Prior to the switch to a gross receipts tax, San Francisco also adopted several exclusions to the payroll tax, including ones that covered the Mid-Market Street area and the biotechnology and clean technology industries. Largely because of these payroll tax exclusions, Mid-Market is now home to thousands of new jobs, the biotech industry has blossomed in Mission Bay, and numerous clean technology companies call San Francisco home.

If the Homelessness and Housing Impact Technology Tax were to be approved by the Board of Supervisors, the city would be disregarding economic reasoning and its own past choices, both of which discourage payroll taxes as they have been shown to limit employment growth. While San Francisco is experiencing an economic boom, there are signs that the economy is slowing down and the rate of job creation has slowed. A payroll tax on technology companies' employees will only serve to make the coming correction more painful for the city's economy.

Sincerely,

Micah Weinberg
President
Bay Area Council Economic Institute



SMALL BUSINESS COMMISSION
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

July 27, 2016

Ms. Angela Calvillo, Clerk of the Board
City Hall Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

RE: BOS File No. 160760 [Initiative Ordinance - Business and Tax Regulations and Administrative Codes - Tax on Technology Companies to Fund Affordable Housing and Homeless Services; Business Registration Fee Reduction]

Small Business Commission Recommendation to the Board of Supervisors: **Not to Approve**

Dear Ms. Calvillo,

On July 25, 2016, the Small Business Commission heard BOS File No. 160760 and voted (4-2, 1 absent) to make the following policy statement in response to this legislation:

The Small Business Commission opposes levying a selective payroll tax on any businesses in the City and County of San Francisco. In 2012, San Francisco voters approved (70.75% of voters in favor) the replacement of payroll taxes with gross receipts taxes for all businesses, and that five-year transition plan is now in progress. Implementation of a selective payroll tax is inconsistent with the 2012 voter mandate of Proposition E.

Thank you for considering the Commission's comments. Please feel free to contact me should you have any questions.

Sincerely,

Regina Dick-Endrizzi
Director, Office of Small Business

- cc: Eric Mar, Board of Supervisors
- Aaron Peskin, Board of Supervisors
- David Campos, Board of Supervisors
- Nicole Elliott, Mayor's Office
- Todd Rufo, Office of Economic and Workforce Development
- Lisa Pagan, Office of Economic and Workforce Development
- Linda Wong, Budget & Finance Committee

Wong, Linda (BOS)

From: Mahajan, Menaka (ECN)
Sent: Wednesday, July 27, 2016 4:31 PM
To: Wong, Linda (BOS)
Cc: Calvillo, Angela (BOS)
Subject: RE: SBC response to BOS File No. 160760

Apologies. I saw a typo in my email – corrected in the text below.

Menaka Mahajan, Ph.D. | Senior Policy Analyst & Commission Secretary | Office of Small Business
menaka.mahajan@sfgov.org | D: [415.554.6408](tel:415.554.6408) | O: [415.554.6134](tel:415.554.6134)

From: Wong, Linda (BOS)
Sent: Wednesday, July 27, 2016 4:29 PM
To: Mahajan, Menaka (ECN) <menaka.mahajan@sfgov.org>
Cc: Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>
Subject: RE: SBC response to BOS File No. 160760

Hi Menaka,

Thank you for your email. The Small Business Commission response on File No. 160760 will be forwarded to the Budget and Finance Committee members and will be included as part of the legislative file.

Sincerely,
Linda

Linda Wong
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689
Phone: 415.554.7719 | Fax: (415) 554-5163
Linda.Wong@sfgov.org | www.sfbos.org

Please complete a Board of Supervisors Customer Service Satisfaction form by clicking [here](#).

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.

From: Mahajan, Menaka (ECN)
Sent: Wednesday, July 27, 2016 4:22 PM

To: Wong, Linda (BOS) <linda.wong@sfgov.org>
Cc: Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>
Subject: SBC response to BOS File No. 160760

Good afternoon,

Please see the attached memo from the Small Business Commission regarding BOS File No. 160760 (recommendation: not to approve).

Thank you.

Best regards,
Menaka Mahajan

Menaka Mahajan, Ph.D. | Senior Policy Analyst & Commission Secretary | Office of Small Business
menaka.mahajan@sfgov.org | D: 415.554.6408 | O: 415.554.6134

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: Linda Wong, Assistant Clerk
Board of Supervisors

DATE: July 12, 2016

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Budget and Finance Committee.

The Board of Supervisors' Budget and Finance Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 160760

Motion ordering submitted to the voters at an election to be held on November 8, 2016, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to reduce the business registration fee on persons with \$1,000,000 or less in gross receipts and to impose a new 1.5% special tax on the payroll expense of technology companies engaged in business in the City to fund affordable housing and homeless services; and increasing the City's appropriations limit by the amount of the new tax for four years from November 8, 2016.

Please return this cover sheet with the Commission's response to Linda Wong, Assistant Clerk, Budget and Finance Committee, at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

No Comment

Recommendation Attached

Chairperson, Small Business Commission

c: Menaka Mahajan, Small Business Commission

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Jeff Kositsky, Director, Department of Homelessness and Supportive Housing
Jose Cisneros, Treasurer, Office of the Treasurer and Tax Collector
John Rahaim, Director, Planning Department
Olson Lee, Director, Mayor's Office of Housing and Community Development
Ben Rosenfield, City Controller, Office of the Controller
John Arntz, Director, Department of Elections

FROM: Linda Wong, Assistant Clerk, Budget and Finance Committee

DATE: July 12, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by Supervisor Mar, Supervisor Peskin, and Supervisor Campos:

File No. 160760

Motion ordering submitted to the voters at an election to be held on November 8, 2016, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to reduce the business registration fee on persons with \$1,000,000 or less in gross receipts and to impose a new 1.5% special tax on the payroll expense of technology companies engaged in business in the City to fund affordable housing and homeless services; and increasing the City's appropriations limit by the amount of the new tax for four years from November 8, 2016.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Amanda Kahn Fried, Office of the Treasurer and Tax Collector
Scott Sanchez, Zoning Administrator
Sarah Jones, Acting Environmental Review Officer,
AnMarie Rodgers, Senior Policy Advisor
Aaron Starr, Acting Manager of Legislative Affairs
Joy Navarrete, Environmental Planning

Jeanie Poling, Environmental Planning
Eugene Flannery, Mayor's Office of Housing and Community Development
Sophie Hayward, Mayor's Office of Housing and Community Development
Todd Rydstrom, Office of the Controller
Natasha Mihal, Office of the Controller

Member, Board of Supervisor
District 2



City and County of San Francisco

MARK FARRELL

DATE: July 25, 2016
TO: Angela Calvillo
Clerk of the Board of Supervisors
FROM: Supervisor Farrell
Chairperson
RE: Budget and Finance Committee
COMMITTEE REPORT

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2016 JUL 26 AM 11:49
BY *[Signature]*

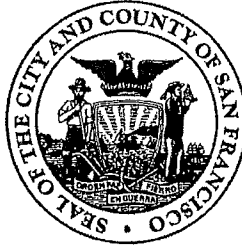
Pursuant to Board Rule 4.20, as Chair of the Budget and Finance Committee, I have deemed the following matter to be of an urgent nature and request that it be considered by the full Board of Supervisor on August 2, 2016 as a Committee Report:

- 160786** Master License Agreement – New Cingular Wireless, LLC – Wireless Telecommunication Equipment on Transit Support Poles – Revenue to Exceed \$1,000,000

- 160760** Initiative Ordinance – Business and Tax Regulations and Administrative Codes – Tax on Technology Companies to Fund Affordable Housing and Homeless Services; Business Registration Fee Reduction

These matters will be heard in the Budget and Finance Committee on August 1, 2016 at 2:00 p.m.

President, District 5
BOARD of SUPERVISORS



B. 3-11, COB, Rules,
B+F, Leg. Dep., Rep. City Atty

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-7630
Fax No. 554-7634
TDD/TTY No. 544-5227

London Breed

PRESIDENTIAL ACTION

Date: 7/7/2016

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. _____ (Primary Sponsor)

Title. _____

Transferring (Board Rule No. 3.3)

File No. 160760 Mar (Primary Sponsor)

Title. Initiative Ordinance - Business and Tax Regula

From: Rules Committee

To: Budget & Finance Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor _____

Replacing Supervisor _____

For: _____ Meeting
(Date) (Committee)

RECEIVED
CLERK OF SUPERVISORS
SAN FRANCISCO
2016 JUL -7 AM 8:01
BY [Signature]

London Breed

London Breed, President
Board of Supervisors

Evans, Derek

From: Board of Supervisors, (BOS)
Sent: Friday, July 01, 2016 10:47 AM
To: Evans, Derek
Subject: File 160760 FW: Give SF residents the opportunity vote on Tech Tax

-----Original Message-----

From: Lisa Stanziano [mailto:lisa.stanziano@gmail.com]
Sent: Friday, July 01, 2016 10:34 AM
To: Avalos, John (BOS) <john.avalos@sfgov.org>; Breed, London (BOS) <london.breed@sfgov.org>; Campos, David (BOS) <david.campos@sfgov.org>; Cohen, Malia (BOS) <malia.cohen@sfgov.org>; Kim, Jane (BOS) <jane.kim@sfgov.org>; Tang, Katy (BOS) <katy.tang@sfgov.org>; Yee, Norman (BOS) <norman.yee@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Farrell, Mark (BOS) <mark.farrell@sfgov.org>; Mar, Eric (BOS) <eric.mar@sfgov.org>; Wiener, Scott <scott.wiener@sfgov.org>
Cc: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Give SF residents the opportunity vote on Tech Tax

Dear Members of the SF Board of Supervisors,

In recent years, SF's business policies have favored large tech companies like Facebook, Twitter, Google, and others. The environment of this city has changed to the point where an unconscionable number of residents are homeless, and the diversity of residents--which has been part of the heart and soul of San Francisco for decades--is disappearing.

Reinstating a payroll tax on technology companies is a fair way to help fund solutions to the problem of homelessness. These companies who were given a huge tax break to do business here but are not paying their fair share to help the communities they've displaced.

Please put aside your political aspirations and do what is right and fair: put Eric Mars measure on the ballot and let the residents decide about reinstating a payroll tax for large tech companies.

Respectfully,
Lisa Stanziano
SF resident

Wong, Linda (BOS)

From: Board of Supervisors, (BOS)
Sent: Monday, July 11, 2016 7:49 AM
To: BOS-Supervisors; Wong, Linda (BOS)
Subject: File 160760 FW: Proposed Payroll Tax on Tech Companies

-----Original Message-----

From: Mark S. Gordon [mailto:mark.gordon333@gmail.com]
Sent: Friday, July 08, 2016 7:52 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Proposed Payroll Tax on Tech Companies

Hello !

I wanted to say that I support a 1.5% payroll tax on tech companies in the City. The additional revenue from this tax could be used for affordable housing, helping the homeless and helping the deficit with the City's budget.

I also believe that it should not be any problem for the employees of these companies to pay, especially since recent new articles reported that employees of these companies have average annual salaries of \$150,000-\$200,000

Thank you for allowing me to share my comments and observations .

Respectfully submitted

Mark Gordon

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date _____

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Mar, Peskin, Campos

Subject:

Initiative Ordinance - Business and Tax Regulations and Administrative Codes - Tax on Technology Companies to Fund Affordable Housing and Homeless Services; Business Registration Fee Reduction

The text is listed below or attached:

Please see attached.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only:

